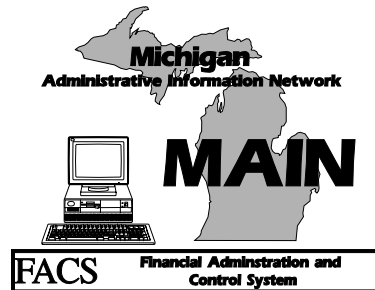


RS01
OFM MAIN TRAINING
R*STARS Overview
1/31/07

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RS01 R*STARS OVERVIEW

**R*STARS
RS01**



R*STARS Overview

WELCOME

INTRODUCTION

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Introduction

1. Structure of MAIN
 2. Benefits of R*STARS
 3. Concepts of R*STARS
 4. Functions of R*STARS
- Conclusion

OVERVIEW AND OBJECTIVES

Upon Completion of This Course You Will Understand:

- **The components of MAIN and the relationship of R*STARS to MAIN FACS**
- **Benefits of the R*STARS relational approach**
- **R*STARS design concepts and specific functional capabilities**

1. STRUCTURE OF MAIN

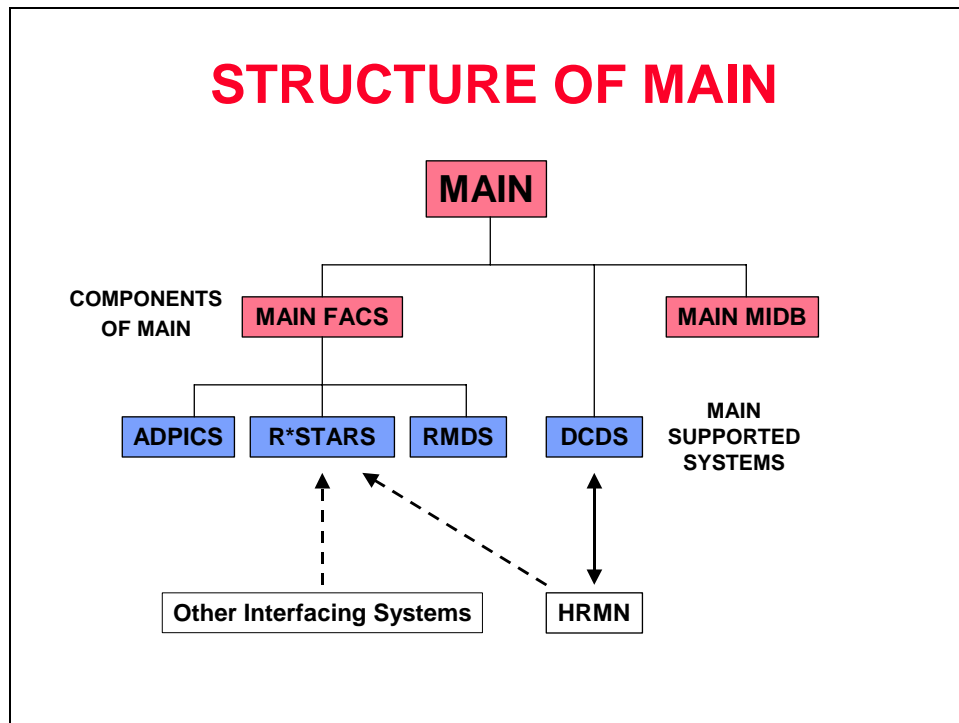
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Introduction

- 1. Structure of MAIN**
- 2. Benefits of R*STARS**
- 3. Concepts of R*STARS**
- 4. Functions of R*STARS**

Conclusion

MAIN (Michigan Administrative Information Network) is the integrated, automated administrative information system for the State of Michigan. It is comprised of components and systems that support the State's accounting, payroll, purchasing, contracting, budgeting, personnel, and revenue management activities and requirements.



Components and Systems within MAIN

- **MAIN FACS** (Financial Administration and Control System) is composed of the accounting, purchasing and report management system for the State of Michigan
 - *R*STARS* (Relational Standard Accounting and Reporting System) is the statewide accounting and budgetary control system
 - *ADPICS* (Advanced Purchasing and Inventory Control System) is the statewide procurement system which offers flexibility, security and control over data access and entry, and specifically addresses the purchasing, receiving and accounts payable requirements for the State of Michigan
 - *RMDS* (Report Management and Distribution System) is the official reporting system for the State of Michigan. Formatted reports are generated based upon data from ADPICS, R*STARS, MAIN HRS and other interfacing systems. RMDS reports are made available

for user on-line viewing with print options.

- **DCDS** (Data Collection and Distribution System) allows users to record data for time and attendance, labor distribution, equipment usage, and activities
 - *HRMN* (Human Resources Management Network) is the existing personnel and payroll system for the State of Michigan
- **MIDB** (Management Information Database) is a separate data warehouse and ad hoc reporting system utilized by the State of Michigan from which MAIN FACS, HRS and data interfacing from other systems can be extracted by scripts available on MAIN EIS and other information access tools

Summary

- Through integration accomplished by the use of common interrelated databases, these software components eliminate unnecessary redundancy and duplication of effort
- They allow for consistent data throughout the system, and allow access to information in a timely manner through on-line inquiry capability and report availability



EXERCISE #1

Knowledge

On the blank next to each MAIN component and system, write the title to the acronyms provided.

HRS _____

MIDB _____

FACS _____

ADPICS _____

DCDS _____

RMDS _____

HRMN _____

R*STARS _____



EXERCISE #1 ANSWER KEY

Knowledge

On the blank next to each MAIN component and system, write the title to the acronyms provided.

HRS Human Resource System

MIDB Management Information Database

FACS Financial Administration and Control System

ADPICS Advanced Purchasing and Inventory Control System

DCDS Data Collection and Distribution System

RMDS Report Management and Distribution System

HRMN Human Resources Management Network

R*STARS Relational Standard Accounting and Reporting System

2. BENEFITS OF R*STARS

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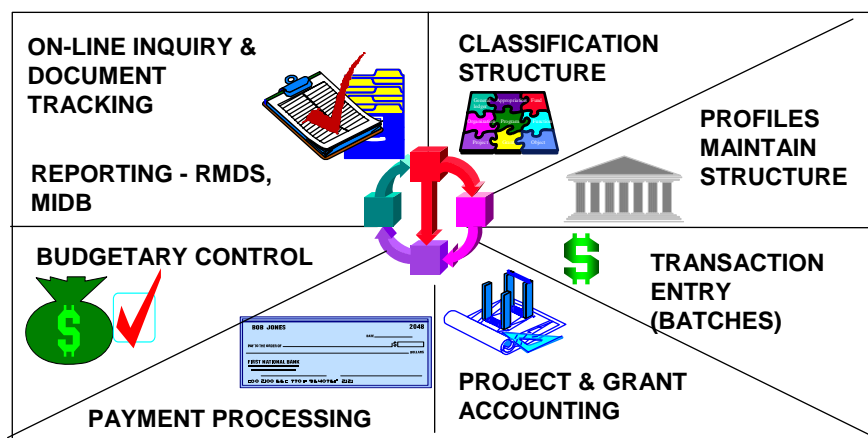
Introduction

1. Structure of MAIN
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Conclusion

R*STARS - Relational Standard Accounting and Reporting System

This accounting system is the glue that holds State systems together



R*STARS – The Relational Standard Accounting and Reporting System has been designed to satisfy the accounting requirements of a governmental entity.

Benefits of the Relational Standard Accounting and Reporting System

R*STARS provides:

- Uniformity and consistency in system wide accounting and reporting
- Flexibility at the agency level to satisfy agency requirements
- Statewide and agency coding and reporting needs

- Uniformity - All systems and subsystems transmitting data to R*STARS must do so in a prescribed format
 - R*STARS is a profile-driven system which includes data tables to support transaction processing rules
- Flexibility - One of the most important features of R*STARS is its flexibility, which is enhanced through the use of its Dual Coding Capability. This flexibility satisfies:
 - Basic accounting and reporting needs
 - Sophisticated needs such as project and grant accounting
 - The need to report on more than one accounting period such as grant year, calendar year, and/or fiscal year
 - The need to report on activities such as grants by federally required categories (i.e., grant category numbers)
 - Many requirements for recording and reporting financial activities unique to individual agencies can be satisfied through R*STARS

- Statewide - The system includes a Central Accounting capability that maintains the General Ledger in accordance with the State's needs, enabling preparation of Statewide financial reports
- Agency - The system includes agency options that may be used to address detailed internal accounting needs at agency level while maintaining compatibility with statewide accounting

EXERCISE #2



Knowledge

In the listing below, place an “X” by those items which are specific benefits of R*STARS.

-
- _____ 1. Provides the ability to automatically tabulate bids.
 - _____ 2. Simplifies preparation of purchase requisitions and inventory control.
 - _____ 3. Provides flexibility at the agency level to satisfy agency requirements.
 - _____ 4. Prepares financial statements tailored to unique reporting needs.
 - _____ 5. Provides uniformity and consistency in system wide accounting and reporting.
 - _____ 6. Maintains employee earnings history.
 - _____ 7. Provides for both statewide and agency reporting and accounting needs.
 - _____ 8. Provides for automated preparation of the State Budget.

EXERCISE #2 ANSWER Key



Knowledge

In the listing below, place an "X" by those items which are specific benefits of R*STARS.

-
- _____ 1. Provides the ability to automatically tabulate bids.
 - _____ 2. Simplifies preparation of purchase requisitions and inventory control.
 - X 3. Provides flexibility at the agency level to satisfy agency requirements.
 - _____ 4. Prepares financial statements tailored to unique reporting needs.
 - X 5. Provides uniformity and consistency in system wide accounting and reporting.
 - _____ 6. Maintains employee earnings history.
 - X 7. Provides for both statewide and agency reporting and accounting needs.
 - _____ 8. Provides for automated preparation of the State Budget.

3. CONCEPTS OF R*STARS

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4. Functions of R*STARS

Conclusion

R*STARS Concepts-General Design Overview

- Profile-driven system which includes data tables for entering transaction processing rules
- Uses Index and Program Cost Account Codes to reduce the number of data elements which must be entered
- Profile maintenance and financial data entry may be processed in an on-line, real time environment

The following concepts and capabilities are presented as a means of briefly exposing you to each. They will be dealt with in depth in more advanced courses.

R*STARS General Design Concepts

- **Multipurpose Coding Capability**
- **Systems Processing Overview**
- **Classification Structure**
- **Financial Tables and Profiles**

General Design Concepts

Multipurpose Coding Capability

- The R*STARS System features the capability of multipurpose coding which provides a means of generating reports on a statewide basis and also in a format that will satisfy the requirements of individual agencies

On-line, Interactive Systems Processing Capability

- R*STARS profile maintenance and financial data entry may be processed in an on-line real-time environment featuring:
 - Data editing and error message display
 - Up-to-the-minute balances
 - On-line inquiry into the financial tables and file contents –“Open purchase order balance is-----”
 - Timely updates when performing profile maintenance
 - On-line display of User HELP information

Classification Structure

- R*STARS is designed to accumulate financial information through the use of a formal data classification structure. A data classification structure is the reporting-oriented vehicle in an accounting system, which defines and groups accounting information for data capturing and reporting purposes.
- Classification Structure:
 - Defines financial information within the accounting system
 - Includes classifications to fulfill GAAP (Generally Accepted Accounting Principles) and legal accounting and agency reporting requirements
 - Includes major structures which can be associated with data elements
 - Fund
 - General Ledger Account
 - Revenue/Expenditure Object
 - Function
 - Appropriation
 - Program
 - Organization
 - Project
 - Grant
 - Other Elements
 - Agency Code 1, 2 and 3 – for internal cost reporting needs of an agency
 - Multipurpose Code – a code available for other agency needs

Financial Tables and Profiles

- The R*STARS system uses profiles and data tables to support transaction processing and:
 - Define valid codes
 - Provide titles for valid codes
 - Look up higher level codes
 - Provide flexibility to agencies
 - Define accounting rules for transactions
 - Define posting rules for financial control tables
- R*STARS uses Index and Program Cost Account Codes as coding reduction tools (shorthand techniques) to enable system users to reduce

the number of data elements which must be entered on a transaction

- PCA: (Program Cost Account) must infer Program Code and may infer Function, Appropriation, Fund, and other optional classification elements
- INDEX: must infer Organization Code and may infer PCA and other optional classification elements
- System wide profiles are defined for the entire state, e.g., Comptroller Objects, Transaction Codes
- Agency profiles are defined by agencies, enabling codes to vary by agency, e.g., Agency Object, Grant Number

4. **FUNCTIONS OF R*STARS**

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Conclusion

R*STARS Functional Capabilities:

R*STARS Functional Capabilities

- **General Accounting**
- **Budgetary Control and Monitoring**
- **Revenues and Expenditures**
- **Reporting**
- **Project Accounting**
- **Grant Accounting**
- **Document Tracking**

General Accounting Capabilities

- **Supports reporting requirements of:**
 - **Agencies**
 - **Legislature**
 - **Federal government**
 - **GAAP**
- **Accounting coding block:**
 - **Assigns organizational unit costs**
 - **Infers subsidiary ledger account rollup**

General Accounting (Continued)

- **The R*STARS system automates the effects of:**
 - **Operating transfers**
 - **Journal entry recording**
 - **Revenue redistribution**
 - **Payable/receivable correction**
 - **Interagency transfers**

- **R*STARS general accounting functionality supports individual agency and GAAP reporting capability in addition to federal and state**

legislatively mandated reporting requirements

- Comptroller General Ledger Account code – identifies the nature of financial activities and balances and is defined in accordance with the State of Michigan CAFR (Comprehensive Annual Financial Report). R*STARS General Ledger accounts are used for balance sheet, operating and memo classifications.
- The R*STARS system automates the accounting impact of individual transactions, e.g., journal entries, redistribution of revenue, correction of payables/receivables, operating transfers and interagency transfers
- Accounting Coding Block – provides a mechanism to identify the classification structure on accounting transactions. One of the uses is to assign costs to the correct organizational unit. The classification structure defined by the coding block also provides the ability to separate and summarize R*STARS accounting information to meet reporting requirements.
- Accounting events entered in MAIN FACS (R*STARS and ADPICS), such as the payment of vouchers, contracts, or the disbursement of funds, must be assigned a series of classification elements (Accounting Coding Block) to completely identify the accounting impact of each transaction. The coding block data elements entered on transactions and input into the system, can be summarized to provide financial management information, such as revenue collected, payments made, the amount of appropriations expended and/or encumbered by a given agency, etc.
- The information a user must enter on a transaction is kept to a minimum by using coding reduction techniques and by defaulting constant data, such as Batch Agency. A typical transaction might require keying only the following elements:
 - Transaction Code 3 digit code used to define the transaction
 - Index Code 5 digit code used to infer other codes
 - Comptroller Object 4 digit code defining revenues/expenditures
- The above three codes in turn could infer other accounting information the agency needs. For example, the Transaction Code will always infer the General Ledger Accounts impacted and the financial tables updated. The Index Code always looks up the Organization Code and can be established to look up:
 - Appropriation Number

- Fund
 - Program Cost Account (PCA)
 - Project Number and Phase
 - Grant Number and Phase
 - Agency Codes 1, 2, and 3
 - Multipurpose Code
-
- Some agencies will use the Index Code to look up another required element, the Program Cost Account (PCA), and some will input the PCA separately. The PCA can also be structured to infer a variety of elements, but it will always be used to reference the Program Code and the Function Code.
 - The exact number and type of any additional data elements entered on a transaction depends on the accounting classification structure adopted by the agency. One of the major advantages of MAIN FACS is the flexibility available to agencies, and one agency may have quite different input coding needs and requirements than another agency.

Budgetary Control and Monitoring

Budgetary Control and Monitoring

- **Appropriations**
- **Allotments**
- **Agency Budgets**

- Budgetary Controls

- Supports comprehensive controls of Appropriations, Agency Budgets, Financial Plans, Allotments, Estimated Revenues, Revenue Plans, etc.
 - Tracks appropriations and agency budgets
 - Provides for time-period allotments of appropriations and budgets
 - Allows flexible levels of control (within prescribed limits)
 - Provides “fatal,” “warning” and “ignore” controls to prevent contemplated pre-encumbrances or encumbrances from over-expending appropriated or budgeted expenditures

Accounting and Tracking of Expenditures

Expenditure Activities

- **Pre-Encumbrances**
- **Encumbrances**
- **Expenditures**

- Provides complete pre-encumbrance, encumbrance and expenditure accounting
 - Maintains full classification structure
 - Automates adjustments and liquidations
 - System generates warrants and direct deposits
- Provides on-line capabilities for tracking all phases of the life cycle that lead to the creation of any expenditure document

- Tracks financial balances of pre-encumbrance, encumbrance and payable documents and identifies the location, status and other information about a document:
 - Original amount
 - Adjustments
 - Liquidations
 - Payments

Accounting and Tracking Revenue

Revenue Activities

- **Cash Collections**
- **Deferred Revenue Recognition**
- **Accounts Receivable**

- Revenue Accounting functionality provides for tracking all phases of the life cycle that lead to the posting of cash revenue. R*STARS provides the capability to record and track document location and status of:
 - Revenue (including Budget) at the lowest level of detail
 - Cash Collections and recognition of Deferred Revenue
 - Revenue recognized periodically through use of recurring transaction capabilities

- Accounts Receivable and the aging of receivables

Reporting Functionality

Reporting

- **Standard Reports**
- **Report Request and Distribution**

- R*STARS provides the ability to retrieve data in a format needed by the end user. Two types of reports are available in MAIN:
 - Reports in the Report Management and Distribution System are standardized reports based upon on-line R*STARS report request profiles and other system parameters
 - Provides on-line requests for standard reports
 - Generates profile listing reports and control reports
 - RMDS reports are generated daily, weekly, monthly, quarterly, yearly or on an as needed basis
 - Ad hoc reports are available through the Management Information Database system (MIDB)

Accounting for Projects

Project Accounting

- **Project Profiles**
- **Project Budgets**
- **Project Billing Options**
- **Reporting and Inquiry**

- R*STARS functionality provides the capability to enter project profiles and on-line entry of project budget and controls to support Project accounting
- Project accounting capability supports billing for externally funded activities and to generate internal billing transactions for interagency agreements. Can track expenditures on both year-to-date and inception-to-date basis.
- Projects (e.g., internal agency projects, capital projects, work orders) and Federal grants share common characteristics:
 - May span multiple fiscal years
 - May have reporting periods other than the State's fiscal year
 - Cross organizational or agency boundaries
 - Multiple grants may fund a single project or, alternatively, multiple projects may be funded by a single grant

Accounting for Grants

Grant Accounting

- **Grant Control Profile**
- **Grant Budgets**
- **Reporting and Inquiry**

- R*STARS functionality provides the capability to enter grant profiles to support Grant accounting
- On-line entry of grant budget and controls
- Grant accounting provides for accounting for activities, funded by outside organizations, that may span unique periods, and have other grantor required, special reporting, billing and control requirements

Document Tracking

- **The Document Tracking feature provides the following capabilities**
 - **Control the central approvals of transactions and the ability of Central Agency personnel to track the status of the document in terms of the approval process**
 - **Approve documents before being finalized by the system**
 - **Track the status (manual or automated) of a document**

Document Tracking (Continued)

- » **Identifies the location, status, and other information about a document**
- » **Provides multiple methods of updating the document status**
- » **Identifies which document types will be tracked**
- » **Identifies actions (codes) available for a document**
- » **Controls system-generated actions (activities)**

- The Document Tracking feature provides the following
 - Ability to support the control and monitoring of documents
 - Mechanism for document approval
 - Ability to control the central approval of transactions
 - Documents must be approved before being finalized by the system
 - Ability to track the status of a document

EXERCISE #3



Match the letter of the appropriate R*STARS concept or capability listed below with its corresponding functional description.

CONCEPTS AND CAPABILITIES

- | | |
|--------------------------|--------------------------|
| A–Budgeting | E–Profile Driven |
| B–General Accounting | F–Grant Accounting |
| C–Expenditure Activities | G–Recurring Transactions |
| D–Revenue Activities | H–Document Tracking |

FUNCTIONAL DESCRIPTIONS

- ___ 1. Provides the capabilities to post transactions that occur on a scheduled or repetitive basis.
- ___ 2. Supports comprehensive controls of Appropriations, Agency Budgets, Financial Plans, Allotments, Estimated Revenues, Revenue Plans, etc.
- ___ 3. Provides capabilities for tracking all phases of the life cycle that leads to the posting of cash revenue.
- ___ 4. Provides for accounting for activities, funded by outside organizations, that may span unique periods, and have other grantor required, special reporting, billing and control requirements
- ___ 5. Profile-driven system that supports GAAP and Statutory Accounting requirements of reporting and maintains the General Ledger.
- ___ 6. Provides for uniformity throughout the State for use of coding, titles, accounting rules, edit rules and posting rules.
- ___ 7. Provides capabilities for tracking all phases of the life cycle that lead to the creation of any expenditure document.
- ___ 8. Provides the ability to support the control and monitoring of documents and also provides a mechanism for document approval.

EXERCISE #3 ANSWER Key



Knowledge

Match the letter of the appropriate R*STARS concept or capability listed below with its corresponding functional description.

A–Budgeting

B–General Accounting

C–Expenditure Activities

D–Revenue Activities

E–Profile Driven

F–Grant Accounting

G–Recurring Transactions

H–Document Tracking

FUNCTIONAL DESCRIPTIONS

- G 1. Provides the capabilities to post transactions that occur on a scheduled or repetitive basis.
- A 2. Supports comprehensive controls of Appropriations, Agency Budgets, Financial Plans, Allotments, Estimated Revenues, Revenue Plans, etc.
- D 3. Provides capabilities for tracking all phases of the life cycle that leads to the posting of cash revenue.
- F 4. Provides for accounting for activities, funded by outside organizations, that may span unique periods, and have other grantor required, special reporting, billing and control requirements
- B 5. Profile-driven system that supports GAAP and Statutory Accounting requirements of reporting and maintains the General Ledger.
- E 6. Provides for uniformity throughout the State for use of coding, titles, accounting rules, edit rules and posting rules.
- C 7. Provides capabilities for tracking all phases of the life cycle that lead to the creation of any expenditure document.
- H 8. Provides the ability to support the control and monitoring of documents and also provides a mechanism for document approval.

CONCLUSION

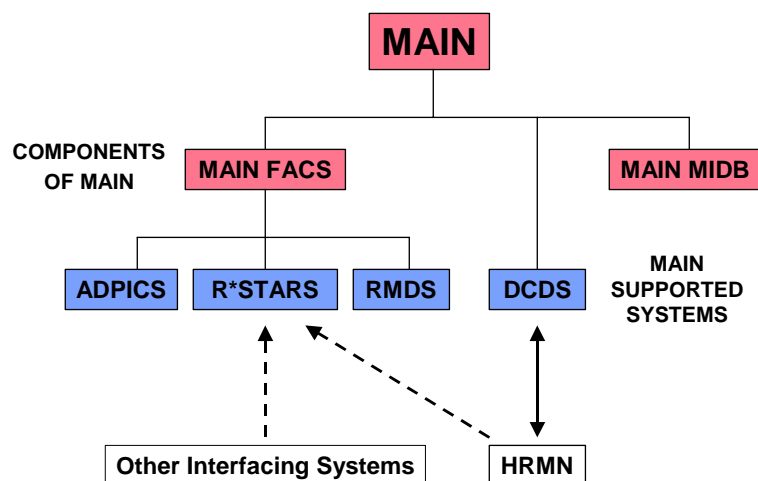
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STRUCTURE OF MAIN



Benefits of the Relational Standard Accounting and Reporting System

R*STARS provides:

- Uniformity and consistency in system wide accounting and reporting
- Flexibility at the agency level to satisfy agency requirements
- Statewide and agency coding and reporting needs

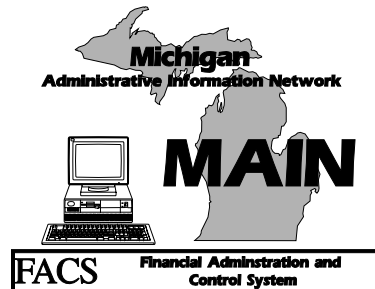
R*STARS General Design Concepts

- **Multipurpose Coding Capability**
- **Systems Processing Overview**
- **Classification Structure**
- **Financial Tables and Profiles**

R*STARS Functional Capabilities

- General Accounting
- Budgetary Control and Monitoring
- Revenues and Expenditures
- Reporting
- Project Accounting
- Grant Accounting
- Document Tracking

**R*STARS
RS01**



R*STARS Overview